

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,	)	Application No. C-1628/NUSF
on its own motion, seeking to	)	
conduct an investigation into	)	Progression Order #12
intrastate access charge reform	)	Modifying Proposal and
and intrastate universal	)	Time Line
service fund.	)	Entered: September 26, 2000

BY THE COMMISSION:

1. On September 12, 2000, the Commission entered Progression Order #11 in this docket that set forth a series of tentative findings and conclusions and adopted a time line for all parties to comment on these proposals. The Commission hereby modifies certain aspects of that Order as discussed below.

O P I N I O N S     A N D     F I N D I N G S

2. In the September 12, 2000, order, the Commission set forth a series of tentative findings and conclusions, or described more appropriately, a series of proposals. These proposals represent recommendations from the Nebraska Universal Service Fund ("NUSF") Department. The Commission is putting these proposals out for comment and will hold a hearing to ensure that all parties are afforded an opportunity to testify and that a robust record is developed. These proposals are not binding nor are they enforceable until such time as they are adopted by the Commission after notice and hearing.

3. The proposal contained in Section A, titled "Access and Basic Local Exchange Benchmarks", of the September 12, 2000, order have been modified as follows. The proposals contained below replaced the original section "A" in its entirety. The Commission proposes that all Incumbent Local Exchange Carriers ("ILECs") be required to raise basic local exchange service rates to the Commission adopted benchmarks unless an ILEC can demonstrate that its costs to provide said services are below the benchmarks. It is the position of the Commission that the costs to provide basic local exchange services should be first recovered from the users of said services. Therefore, ILECs should, at a minimum, charge the Commission benchmarks for basic local exchange service unless the costs to provide said services are less than the benchmarks.

4. Further, the Commission proposes that in conjunction with any increases in basic local exchange service rates, an ILEC should make a corresponding revenue reduction in access rates during the relevant transition period. The purposes of the policies that the Commission has adopted relative to universal services are not designed to increase the earnings of any company. Therefore, unless a company can demonstrate that it is not earning a reasonable return, any basic local exchange service rate increase should be offset by a corresponding revenue reduction in access charges during the transition period.

5. The Commission finds that the proposals contained in Section A, as modified above, Section E, "CLEC and CMRS Provider Access Rates", Section I, "Rural Company Definition", and Section K, "Sales and

Purchases" of the September 12, 2000, order, represent significant policy determinations to be made by the Commission. Accordingly, the time line for only these four sections should be modified to allow adequate time for all interested parties to review and provide comment.

6. Comments on these four sections will be due on or before December 15, 2000, with reply comments due on or before January 12, 2001.

7. A Public Hearing on these four sections will be held on January 31, 2001 at 10:00 a.m. in the Commission Hearing Room, Lincoln, Nebraska. Parties wishing to testify at the hearing, must file prefiled testimony on or before January 24, 2001.

8. The comment periods and hearing date for the remaining sections of the September 12, 2000, order shall remain as previously set forth.

#### O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the September 12, 2000, C-1628/NUSF Progression Order #11 shall be, and is hereby, modified as set forth above.

IT IS FURTHER ORDERED that comments on the proposals initially outlined in Sections A, E, I and K in the September 12, 2000, order, and as modified above, will now be due on or before December 15, 2000, with reply comments due on or before January 12, 2001.

IT IS FURTHER ORDERED that parties wishing to testify at the public hearing must file prefiled testimony on or before January 24, 2001.

IT IS FINALLY ORDERED that a public hearing on the proposals initially outlined in Sections A, E, I and K in the September 12, 2000, order, and as modified above, will be held on January 31, 2001, at 10:00 a.m. in the Commission Hearing Room, 1200 "N" Street, 300 The Atrium, Lincoln, Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 26th day of September, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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